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# Employment

## Labour Statistics: Concepts, Sources and Methods

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## Industry employment guide

See our [Industry employment guide \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) for summary information on industry employment data. It complements the detailed information in Labour Statistics: Concepts, Sources and Methods by providing practical guidance on industry employment measures, their purpose and how to use them.

## Concepts and international guidelines

People in paid employment are those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit.

Nineteenth International Conference of Labour Statisticians (ICLS) 2013

The notion 'for pay or profit' refers to work done as part of a transaction in exchange for remuneration payable in the form of wages or salaries for time worked or work done, or in the form of profits derived from goods and services produced through market transactions. It includes remuneration in cash or in kind, whether actually received or not, and may also comprise additional components of cash or in kind income. The remuneration may be payable directly to the person performing the work, or indirectly to a household or family member.

According to the international guidelines, people in employment comprise:

- employed people 'at work', i.e. who worked in a job for at least one hour; and
- employed people 'not at work' due to temporary absence from a job, or due to working-time arrangements (such as shift work, flex time and compensatory leave for overtime).

The international definition of employed persons on "temporary absence" during a short reference period refers to those who, having already worked in their present job, were "not at work" for a short duration but maintained a job attachment during their absence. In such cases, "job attachment" is established on the basis of the reason for the absence and, in the case of certain reasons, the continued receipt of remuneration and/or the total duration of the absence as self-declared or reported, depending of the statistical source.

Reasons for absence that are by their nature usually of short duration, and where "job attachment" is maintained, include those such as sick leave due to own illness or injury (including occupational), public holidays, vacation or annual leave, and periods of maternity or paternity leave as specified by legislation.

Reasons for absence where the "job attachment" requires further testing include, among others: parental leave, educational leave, care for others, other personal absences, strikes or lockouts, reduction in economic activity (e.g. temporary lay-off, slack work), disorganisation or suspension of work (e.g. due to bad weather, mechanical, electrical or communication breakdown, problems with information and communication technology, shortage of raw materials or fuels). For these reasons, a further test of receipt of remuneration and/or a duration threshold should be used.

The duration threshold should be, in general, not greater than three months taking into account periods of statutory leave entitlement specified by legislation or commonly practiced, and/or the length of the employment season so as to permit the monitoring of seasonal patterns. Where the return to employment in the same economic unit is guaranteed, this threshold may be greater than three months. For operational purposes, where the total duration of the absence is not known, the elapsed duration may be used.

The ABS produces estimates of employment from both household and business surveys. The definition of employment used in household surveys is designed to be consistent with the international standards. The definition of employment used in business surveys relates more closely to paid employment.

## **Definitions used in ABS household surveys**

Three different definitions of employment are used in ABS household surveys. Information on the relevant questionnaire modules is contained in [Standards for Labour Force Statistics \(/statistics/standards/standards-labour-force-statistics/2018\)](https://statistics/standards/standards-labour-force-statistics/2018).

### **Labour Force Survey**

The LFS is designed to produce estimates of employment (and unemployment). The

questionnaire module used in the LFS is referred to as the Labour Force Survey Questionnaire Module. It uses a comprehensive and detailed set of questions to precisely measure the numbers and certain characteristics of persons in employment and unemployment. The LFS questionnaire module is available from the [LFS methodology \(/methodologies/labour-force-australia-methodology/oct-2021#data-download\)](https://methodologies/labour-force-australia-methodology/oct-2021#data-download).

The definition of employment used in the LFS aligns closely with the concepts and international definitions outlined in earlier chapters. Employed persons are defined as all persons aged 15 years and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees and owner managers of incorporated or unincorporated enterprises); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
  - away from work for less than four weeks up to the end of the reference week, or
  - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week, or
  - away from work as a standard work or shift arrangement, or
  - on strike or locked out, or
  - on workers' compensation and expected to be returning to their job; or
- were owner managers, who had a job, business or farm, but were not at work.

For employees absent from work, a condition of formal job attachment is considered to exist in any of the following circumstances:

- short periods of absence (less than four weeks to the end of the reference week);
- long periods of absence (four weeks or more to the end of the reference week) and receipt of wages or salary for some or all of the four week period to the end of the reference week, such as persons on paid leave;
- any period of absence away from work as a standard work or shift arrangement;
- any period of absence on strike or locked out; and
- any period of absence with continued receipt of workers' compensation payments, and an expectation to return to work for the current employer.

The LFS, while mostly aligned with the international definition, has a narrower temporal definition of formal job attachment for employees absent from work. The international definition notes a duration threshold should be, in general, not greater than three months

taking into account periods of statutory leave entitlements specified by legislation or common practices, and/or the length of the employment season so as to permit the monitoring of seasonal patterns. Where the return to employment in the same economic unit is guaranteed, this threshold may be greater than three months. The LFS condition of formal job attachment for employees is outlined above.

In the LFS, those who are self-employed, such as employers and owner managers, who are absent from work during the reference week are defined as employed without further testing of formal job attachment. Contributing family workers who are absent from work in the reference week are not considered to be employed. The international guidelines relating to formal job attachment outlined above apply to all employed persons who were temporarily absent from work.

## **Other ABS household surveys and Special Social Surveys**

In other household surveys and Special Social Surveys, where employment is an explanatory or classificatory variable, it is generally not practical to determine employment as precisely as in the LFS. While estimates of employment produced from these surveys are designed to be consistent with the international concept of employment, the definition used is slightly broader than that used in the LFS.

A shorter module, referred to as the Household Survey Questionnaire Module, is used in most other ABS household surveys and Special Social Surveys to produce estimates of labour force status. Employment is more broadly defined in these modules than in the LFS.

## **Census of Population and Housing**

There is also a labour force module in the Census of Population and Housing. This module is shorter than the Household Survey Questionnaire module, and is generally completed through a self-enumeration mode.

While aggregates produced from household surveys and the Census which do not use the Labour Force Survey Questionnaire Module are designed to be consistent with the international concepts of employment and unemployment, the treatment of certain small population groups is simpler and less precise than that used in the LFS. Consequently, there are differences between estimates produced from the LFS and those produced from the Census or from household surveys using the reduced modules.

## **Definition of employment used in ABS business surveys**

Concepts of employment used in ABS business surveys are narrower than the concept used in ABS household surveys. While estimates of employment from household surveys are

comprised of all people engaged in paid work, estimates from business surveys are of employee jobs (including owner managers of incorporated enterprises).

People holding jobs with different employers would be counted in ABS household surveys as employed once, but in ABS business surveys, each job held would be counted in measures of employee jobs.

Estimates of employee jobs exclude:

- jobs involving paid employment that do not appear on business payrolls (from which information on employment is sourced within businesses), such as jobs that are paid in kind only, and jobs from which occupants are absent without pay (for a lengthy period); and
- jobs involving paid employment in businesses that have limited coverage on the ABS Business Register (from which the samples for most ABS business surveys are drawn), such as private households engaging staff.

Some industry and economy-wide ABS business surveys do include a component of self-employment in their surveys.

Estimates of the number of paid employment jobs (also referred to as employee jobs) from business surveys are not equivalent to estimates of the number of persons in paid employment jobs (also referred to as employees) from household surveys. When comparing estimates of the employee jobs from ABS business surveys to estimates of employees from ABS household surveys, the differences outlined above should be considered.

## Data sources

Estimates of employment are available from the following ABS household surveys:

- the LFS (and its supplementary and multi-purpose household surveys);
- the Census of Population and Housing; and
- Special Social Surveys.

Estimates of employee jobs are produced from the following ABS business surveys:

- the Economic Activity Survey (EAS) (predominantly Private Sector);
- the Survey of Employee Earnings and Hours (EEH); and
- from time to time, business surveys targeted to particular industries or sectors.

Estimates of employment are also available from the Labour Account and the Linked Employer-Employee Dataset (Jobs in Australia) and the Public Sector Employment and Earnings.

Many of these data sources include industry employment estimates. Use our [Industry employment guide \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) to learn more about the different measures and how to use them.

## **Labour Force Survey**

The monthly LFS is the official source for Australia's employment and unemployment statistics. The definition of employment used in the LFS is outlined above. The survey uses a comprehensive and detailed set of questions to precisely measure the numbers and certain characteristics of persons in employment and unemployment as well as persons not currently economically active. Estimates from the LFS are available by State/Territory, Capital City/Rest of State, and 87 sub-State regions,

## **Census of Population and Housing**

As discussed above, the Census of Population and Housing uses the Census of Population and Housing Questionnaire Module to produce employment estimates consistent with the international standards. However, because the self-enumerated questionnaire module defines employment less precisely than the LFS, estimates produced are not strictly comparable with those from the LFS. For these reasons, employment estimates from the Census should be used with caution in analyses where labour force activities are a major focus.

When comparing estimates of employment from the Census of Population and Housing with those produced from the LFS, users should also note differences between the two surveys in scope (for example, the inclusion of permanent defence forces in Census employment data) and methodology.

## **Special Social Surveys**

As discussed above, most Special Social Surveys use the Household Survey Questionnaire Module for personal interviews to produce employment estimates that are consistent with the international standards. However, because the reduced questionnaire module defines employment less precisely than the LFS, estimates produced are not strictly comparable with those produced from the LFS. When comparing employment estimates from Special Social Surveys with estimates from the LFS, users should also note differences in scope and methodologies across the surveys.

## **Economic Activity Survey**

The Economic Activity Survey is a business survey producing employment estimates. There are conceptual as well as methodological reasons for differences in estimates of employment produced from business and household surveys.

## **Employee Earnings and Hours**

The Employee Earnings and Hours Survey is a business survey producing estimates on the composition and distribution of earnings and hours paid for, of employees, as well as information on how employees' pay is set - by award only, collective agreement or individual arrangement. For further information on the scope and collection methodology of EEH, see the EEH methodology page.

## **Public Sector Employment and Earnings**

Public Sector Employment and Earnings is an administrative data collection producing estimates of employee jobs in the public sector. There are conceptual reasons, as well as methodological reasons, for differences in estimates of employment produced from administrative data compared to business and household surveys.